

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2005**

	July-05				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Fiscal YTD	FY05	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2005 Net	6/30/2005 Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
LA Capital	69,281,666	4.4%	4.5%	4.40%	4.40%	8.17%	N/A	N/A
Total Structured Growth	69,281,666	4.4%	4.5%	4.40%	4.40%	8.17%	10.41%	-8.94%
Russell 1000 Growth				4.89%	4.89%	1.67%	8.37%	-9.80%
<i>Structured Value</i>								
LSV	77,205,327	4.9%	4.5%	3.87%	3.87%	18.24%	9.61%	11.77%
Russell 1000 Value				2.89%	2.89%	14.06%	7.25%	3.12%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	92,912,341	5.9%	6.0%	4.08%	4.08%	7.39%	7.65%	N/A
Russell 1000				3.89%	3.89%	7.92%	7.81%	N/A
<i>Enhanced S&P 500 Index</i>								
Northern Trust	91,735,061	5.9%	6.0%	3.82%	3.82%	6.02%	7.41%	N/A
Westridge	91,617,673	5.9%	6.0%	3.75%	3.75%	6.66%	7.57%	N/A
Total Enhanced S&P 500 Index	183,352,734	11.7%	12.0%	3.78%	3.78%	6.26%	8.01%	N/A
S&P 500				3.72%	3.72%	6.32%	7.39%	N/A
<i>S&P 500 Index</i>								
State Street	45,281,887	2.9%	3.0%	3.72%	3.72%	6.34%	7.40%	-2.83%
S&P 500				3.72%	3.72%	6.32%	7.39%	-2.86%
TOTAL LARGE CAP DOMESTIC EQUITY	468,033,955	29.9%	30.0%	3.94%	3.94%	8.65%	7.93%	-1.61%
S&P 500				3.72%	3.72%	6.32%	7.39%	-2.86%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	166,362,584	10.6%	10.0%	6.81%	6.81%	9.36%	12.76%	N/A
Russell 2000 + 200bp				6.50%	6.50%	11.64%	13.28%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	166,362,584	10.6%	10.0%	6.81%	6.81%	9.36%	12.76%	5.14%
Russell 2000				6.34%	6.34%	9.45%	11.73%	5.10%
INTERNATIONAL EQUITY								
<i>Large Cap - Core</i>								
State Street	32,554,679	2.1%	2.0%	3.04%	3.04%	7.68%	5.74%	-3.05%
MSCI EAFE (1)				3.07%	3.07%	9.59%	5.12%	-4.04%
<i>Large Cap - Active</i>								
Capital Guardian	96,944,942	6.2%	6.0%	3.46%	3.46%	11.23%	4.79%	-4.41%
LSV	95,925,324	6.1%	6.0%	3.45%	3.45%	N/A	N/A	N/A
Bank of Ireland	31,914,546	2.0%	2.0%	3.29%	3.29%	12.20%	N/A	N/A
Total Large Cap - Active	224,784,811	14.4%	14.0%	3.43%	3.43%	13.74%	4.77%	-4.21%
MSCI EAFE - 50% Hedged				3.40%	3.40%	14.41%	5.24%	-3.97%
<i>Small Cap - Active</i>								
Lazard	32,930,134	2.1%	2.0%	4.14%	4.14%	19.82%	N/A	N/A
Wellington	32,498,805	2.1%	2.0%	3.53%	3.53%	12.00%	N/A	N/A
Total Small Cap - Active	65,428,939	4.2%	4.0%	3.83%	3.83%	15.90%	N/A	N/A
Citigroup Broad Market Index < \$2BN				3.90%	3.90%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	322,768,430	20.6%	20.0%	3.47%	3.47%	13.12%	7.05%	-2.27%
MSCI EAFE - 50% Hedged				3.40%	3.40%	14.41%	5.24%	-3.97%
EMERGING MARKETS EQUITY								
Capital Guardian	61,939,270	4.0%	3.6%	7.06%	7.06%	33.94%	13.63%	-0.44%
UBS	21,148,442	1.4%	1.4%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	83,087,712	5.3%	5.0%	7.06%	7.06%	33.94%	13.63%	-0.44%
MSCI Emerging Markets Free				7.08%	7.08%	34.89%	15.20%	2.78%
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
Western Asset	10,576,900	0.7%	0.9%	-0.58%	-0.58%	7.25%	4.78%	7.27%
Lehman Aggregate				-0.91%	-0.91%	6.80%	3.15%	5.80%
<i>Index</i>								
Bank of ND	18,897,734	1.2%	1.1%	-1.22%	-1.22%	7.23%	3.25%	6.01%
Bank of ND Match Loan CD Program	9,862,919	0.6%	0.6%	0.42%	0.42%	5.08%	3.75%	4.58%
Total Index	28,760,653	1.8%	1.8%	-0.81%	-0.81%	6.91%	3.27%	5.81%
Lehman Gov/Credit				-1.13%	-1.13%	7.26%	3.56%	5.96%
<i>Convertibles</i>								
TCW	8,419,014	0.5%	0.6%	2.77%	2.77%	-0.23%	9.81%	-2.05%
Merrill Lynch All Convertibles				3.19%	3.19%	0.66%	10.85%	1.00%

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BBB Average Quality								
Wells Capital (formerly Strong)	12,123,590	0.8%	0.9%	-0.50%	-0.50%	12.04%	4.99%	6.25%
Lehman BBB				-0.74%	-0.74%	8.60%	5.94%	5.93%
Private Debt								
Prudential	951,745	0.1%	0.1%	-0.86%	-0.86%	N/A	N/A	N/A
Timberland								
RMK	11,910,534	0.8%	0.8%	-0.08%	-0.08%	14.50%	7.48%	N/A
TIR	29,940,979	1.9%	1.9%	-0.03%	-0.03%	N/A	N/A	N/A
Total Timberland	41,851,512	2.7%	2.7%	-0.04%	-0.04%	44.29%	3.35%	2.00%
TOTAL DOMESTIC FIXED INCOME	102,683,414	6.6%	7.0%	-0.15%	-0.15%	19.23%	5.41%	5.12%
Lehman Aggregate				-0.91%	-0.91%	6.80%	3.15%	5.80%
HIGH YIELD BONDS								
Loomis Sayles	53,865,608	3.4%	3.5%	1.66%	1.66%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				1.58%	1.58%	10.83%	N/A	N/A
Sutter/Wells Capital	53,043,354	3.4%	3.5%	1.82%	1.82%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				1.58%	1.58%	10.63%	N/A	N/A
TOTAL HIGH YIELD BONDS	106,908,962	6.8%	7.0%	1.74%	1.74%	12.76%	9.56%	3.37%
Lehman High Yield Bond Index				1.58%	1.58%	10.86%	11.22%	5.61%
INTERNATIONAL FIXED INCOME								
International Sovereign								
UBS Global (Brinson)	34,861,617	2.2%	2.5%	-0.66%	-0.66%	7.92%	8.19%	6.46%
Citigroup Non-US Gov't Bond Index (2)				-0.98%	-0.98%	7.75%	7.90%	6.12%
International Core								
Brandywine	37,435,559	2.4%	2.5%	-0.55%	-0.55%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				-0.73%	-0.73%	8.10%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	72,297,177	4.6%	5.0%	-0.60%	-0.60%	9.84%	8.41%	6.59%
Citigroup Non-US Gov't Bond Index (2)				-0.98%	-0.98%	7.75%	7.90%	6.12%
REAL ESTATE								
INVESCO	70,489,469			0.00%	0.00%	22.20%	4.89%	6.10%
J.P. Morgan	70,985,265			0.99%	0.99%	19.52%	6.55%	6.79%
TOTAL REAL ESTATE	141,474,734	9.0%	9.0%	0.49%	0.49%	20.77%	5.71%	6.44%
NCREIF TOTAL INDEX				1.75%	1.75%	18.02%	6.67%	7.57%
ALTERNATIVE INVESTMENTS								
Brinson IVCF III	641,811			0.00%	0.00%	15.66%	-0.98%	5.16%
Coral Partners V	4,532,550			0.00%	0.00%	-18.97%	-18.86%	-19.31%
Coral Partners V - Supplemental	553,927			0.00%	0.00%	-6.85%	-2.23%	N/A
Coral Partners VI	4,286,419			0.00%	0.00%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	1,496,795			0.00%	0.00%	19.64%	-2.29%	-5.29%
Brinson 1999 Partnership Fund	2,489,447			0.00%	0.00%	9.31%	-1.36%	-6.39%
Brinson 2000 Partnership Fund	5,146,798			0.00%	0.00%	14.97%	-1.48%	-3.53%
Brinson 2001 Partnership Fund	3,116,758			0.00%	0.00%	4.00%	0.09%	N/A
Brinson 2002 Partnership Fund	1,729,356			0.00%	0.00%	-4.22%	7.67%	N/A
Brinson 2003 Partnership Fund	374,337			0.00%	0.00%	1.71%	N/A	N/A
Total Brinson Partnership Funds	14,353,491			0.00%	0.00%	9.80%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,427,825			0.00%	0.00%	32.09%	11.06%	5.27%
Brinson 2000 Non-US Partnership Fund	1,695,074			0.00%	0.00%	15.57%	8.11%	1.89%
Brinson 2001 Non-US Partnership Fund	1,414,490			0.00%	0.00%	9.19%	5.12%	N/A
Brinson 2002 Non-US Partnership Fund	2,658,146			0.00%	0.00%	12.60%	7.72%	N/A
Brinson 2003 Non-US Partnership Fund	951,735			0.00%	0.00%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	304,949			0.00%	0.00%	0.42%	N/A	N/A
Total Brinson Non-US Partnership Fund	8,452,219			0.00%	0.00%	15.11%	N/A	N/A
Brinson BVCF IV	7,673,650			0.00%	0.00%	6.06%	1.13%	-8.29%
Matlin Patterson Global Opportunities	8,517,531			0.00%	0.00%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	4,116,667			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	1,320,700			0.00%	0.00%	-18.88%	-6.88%	N/A
Hearthstone MSII	1			0.00%	0.00%	1214.92%	18.39%	13.51%
Hearthstone MSIII	7,800,772			0.00%	0.00%	16.51%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	62,249,738	4.0%	5.0%	0.00%	0.00%	17.30%	3.06%	-3.04%
CASH EQUIVALENTS								
Northern Trust STIF/STEP	38,994,118	2.5%	2.0%	1.56%	1.56%	2.19%	1.61%	2.59%
90 Day T-Bill				0.23%	0.23%	2.15%	0.91%	2.23%
TOTAL FUND	1,564,860,823	100.0%	100.0%	2.73%	2.73%	13.36%	11.42%	3.23%
POLICY TARGET BENCHMARK				2.94%	2.94%	11.68%	10.29%	2.47%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual